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Counsel for Official Committee of Tort Claimants

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION

-and-

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors

- ☐ Affects PG& E Corporation
- ☐ Affects Pacific Gas and Electric Company
- ☒ Affects both Debtors

**All papers shall be filed in the Lead Case,
No. 19-30088 (DM)*

Case No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

**DECLARATION OF BRENT C.
WILLIAMS IN SUPPORT OF
RESPONSE OF OFFICIAL
COMMITTEE OF TORT CLAIMANTS
TO DEBTORS' RESTATED
RESTRUCTURING SUPPORT AND
SETTLEMENT AGREEMENT WITH
THE CONSENTING SUBROGATION
CLAIMHOLDERS [DKT NO. 4554-1]**

1 1. I, Brent C. Williams, am a Managing Director and Co-Head of Lincoln's Special
2 Situations Group at Lincoln Partners Advisors LLC (“**Lincoln**”), which has its principal office at
3 500 West Madison Street, Suite 3900 Chicago, IL. I am authorized to execute this declaration on
4 behalf of Lincoln. Unless otherwise stated in this declaration, I have personal knowledge of the
5 facts set forth herein.

6 2. Lincoln is the financial advisor to the Official Committee of Tort Claimants (the
7 “**TCC**”) of PG&E Corporation and Pacific Gas and Electric Company (the “**Debtors**”) in these
8 chapter 11 cases.

9 3. I submit this Declaration in support of the TCC’s response to the Debtors’ restated
10 Restructuring Support and Settlement Agreement with the Consenting Subrogation Claim Holders.

11 4. The TCC requested that Lincoln prepare an analysis of the overlapping subrogation
12 claim holders and equity holders. For this analysis, we consulted the Fifth Amended Verified
13 Statement of the Ad Hoc Group of Subrogation Claim Holders Pursuant to Bankruptcy Rule 2019,
14 dated October 18, 2019, (Dkt. No. 4302) and the Fourth Amended Verified Statement of Jones Day
15 Pursuant to Federal Rule of Bankruptcy Procedure 2019 dated October 21, 2019, (Dkt. No. 4355).
16 Our analysis is attached hereto as **EXHIBIT A**.

17 5. The TCC requested that Lincoln evaluate the impact of the subrogation claim
18 holders receiving \$11 billion in cash under the Debtors’ proposed plan and the potential
19 consideration that would remain, including cash and stock, to the fire victims. For this analysis,
20 we evaluated the Debtors’ proposed plan of reorganization, which provides the Other Wildfire
21 Claims (as defined in the Debtors’ plan) with \$8.4 billion in cash or non-cash consideration, at the
22 Debtors’ sole discretion, as compared to the Bondholder/TCC plan, which provides the fire victims
23 with \$13.5 billion, split equally between cash and equity. In order for the Debtors’ plan to provide
24 Fire Claimants with \$13.5 billion of total consideration as provided for in the Bondholder/TCC
25 Plan, it is likely that a significant portion of the total consideration to Other Wildfire Claims would
26 be provided in the form of equity and other non-cash consideration.

27 6. The TCC requested that Lincoln research whether current equity holders
28 participated in the proxy battle to elect the current Board of Directors of the Debtors. Attached

1 hereto as **EXHIBIT B** is a true and correct copy of Schedule 13D, dated March 8, 2019, as it
2 pertains to Knighthood Capital Management, LLC, which states the following on page 4:

3 On March 8, 2019, the Reporting Person and two other shareholders, Redwood
4 Capital Management, LLC, a Delaware limited liability company, and Abrams
5 Capital Management, L.P., a Delaware limited partnership (collectively, the "Other
6 Shareholders"), had an initial joint conference call, together with financial advisers
7 and counsel, to discuss the status of discussions with representatives of the
Company regarding the Board refreshment and CEO selection processes. During
their telephone conference, each of the Reporting Person and the Other
Shareholders mutually agreed to act in concert to submit director candidate
nominations to the Company if they collectively determined nominations to be
appropriate.

8 The agreement is attached thereto as Ex. 99.1 A New York Times article dated April 3, 2019,
9 attached hereto as **EXHIBIT C**, reported that "PG&E said its management had discussed the
10 selection of a new chief executive and board members with three investment firms: Abrams Capital
11 Management, Knighthood Capital Management and Redwood Capital Management. The firms,
12 according to PG&E, support Mr. Johnson and the new board."

13 7. The TCC requested that Lincoln research the amount that Baupost Group LLC paid
14 for their subrogation claims. Attached hereto as **EXHIBIT D** is a true and correct copy of an article
15 dated September 13, 2019 from the Wall Street Journal entitled "Klarman's Baupost Poised to Cash
16 In On PG&E Insurance Bet." The article states that "Baupost paid 30 cents on the dollar to 35
17 cents on the dollar for a significant number of California wildfire claims in late 2018 and early
18 2019."

19
20 *Pursuant to 28 U.S.C. §1746, I declare under penalty of perjury under the laws of the United States*
21 *of America that the foregoing is true and correct to the best of my knowledge and belief.*

22 Dated: New York, New York
23 November 8, 2019



Brent C. Williams